

Regional Tourism and the Internet in Australia

Patrice Braun

University of Ballarat, Australia

INTRODUCTION

With economic agents operating in global networks of interaction, we now have a global economy, in which the use of ICTs and e-commerce has an impact on entire industries, regions, and firms of all sizes (Lundvall & Archibugi, 2001).

Adoption of electronic-commerce (e-commerce)—referred to here in terms of connection, electronic data exchange, and transaction capability via the Internet—and networked technologies by firms is directly related to the size and nature of the firm and largely depends on the firm's perception of affordability and opportunity for their business (OECD, 1998). The greater the number of parties involved in e-business activities, the greater the potential to form relationships and transact and gain benefits (Rogers, 1997).

The growing influence of new communication technologies is relevant to regional development in that the diffusion of ICT and the Internet directly impacts interactions between regional and global forces. This article discusses the adoption of e-commerce technologies by regional tourism firms in general and by regional Australian small and medium size enterprises (SMEs) in particular. Australian tourism SMEs continue to be reluctant e-commerce adopters as they have a negative perception of the effectiveness of networked technologies. As a result, industry preparedness falls well short of the requirements to operate within a now mainly ICT-driven sector.

REGIONAL TOURISM FIRMS

The push toward networked technologies has put extraordinary pressure on the tourism industry to embrace the Internet for marketing and transaction purposes. As consumers become more knowledgeable about the Internet, they have increasing expectations in terms of viewing and purchasing tourism and travel products online (Wynne, Berthon, Pitt, Ewing, & Napoli, 2001). ICT-literate consumers now expect to find information, book, and purchase local and regional travel, tours, and accommodations via the Internet. To satisfy that demand, tourism firms of all sizes may need to expand their traditional marketing channels (for example, brochures, billboards, and stands at trade shows) and their conventional tour-

ism product distribution channels (such as the use of travel agents, destination marketing organisations and travel wholesalers) to include the Internet for business-to-consumer (B2C) interaction (Buhalis & Main, 1998).

The Internet provides tourism industry players with far-reaching B2C opportunities to offer virtual tourism product and develop or enhance relationships with their customers. The potential for commercial travel sales is widely recognized and has given rise to new market entrants coming from an information technology rather than from a travel background. For example, the new generation of highly successful mega-Web sites, such as Expedia and Travelocity, offer end users access to booking systems that include air, hotel, car, and vacation packages. By facilitating Web-based sales and honing customer services through customer profiling, mega travel sites may seemingly provide all a traveler could ever want or need (Bernstein & Awe, 1999). However, these mega-travel sites on the Internet are run by large operators, realistically excluding small tourism product providers and restricting small tourism firms and customer's access to one another (Anckar & Walden, 2001).

In many parts of the world, small and medium-size tourism firms (tourism SMEs) make up the majority of the tourism industry. For example, most of the accommodation establishments worldwide are family-run tourism SMEs belonging to local entrepreneurs (Buhalis & Main, 1998). In many regions, tourism SMEs and micro tourism enterprises, therefore, make a substantial contribution to regional economies (Braithwaite, 2001). As a result, there is renewed interest in regional economies and online technologies to develop, market, and distribute regional tourism products. At the same time, regional policy makers are finding that incentives for ICT and online technology adoption are necessary to improve the effectiveness of the small tourism firm. Taking the view that e-commerce represents a dramatic change in the way people learn about destinations and book their vacations, the Scottish Tourist Board, for example, increased its 2000/2001 budget by 25% in order to accelerate Scottish tourism into the "e-age" (Morrison & King, 2002).

While connectivity has the potential to increase regionally based tourism SMEs' visibility in the marketplace, small tourism enterprises have been facing difficulties embracing ICT and e-commerce. The uptake of technology has not been a priority for many small tour-

ism firms. To begin with, micro and small tourism enterprises generally consider themselves outside the tourism value chain, despite the fact that most of their customers are tourists (Evans, Bohrer, & Richards, 2001). European studies on the uptake of technology by tourism SMEs further indicate that because of their size, small tourism firms often lack the time, skills, financial resources, and manpower needed to implement ICT and compete with their larger counterparts (Buhalis & Main, 1998). As small individual enterprises, they tend to be preoccupied with the operational running of their business. As a result, they fail to focus on marketing planning and online business transaction, and approach their market less formally and more intuitively from direct contact with their guests (Main, 2002). Because proprietors of tourism SMEs are often dependent on external ICT expertise, they fear losing control and are therefore resistant to change (Ankar & Walden, 2001). To make matters worse, tourism SMEs are often located in peripheral regions where the ICT infrastructure, especially broadband, can still be inadequate or prohibitively expensive due to limited demand.

REGIONAL TOURISM IN AUSTRALIA

Tourism is considered one of Australia's industry sectors that will likely benefit from e-commerce, as it can offer products and services that are receptive to e-commerce. Looking at regional and local impacts of e-commerce, country areas that depend on tourism and related activities can expect a large boost from e-commerce (NOIE, 2001). However, a national tourism online scoping study (CRC Tourism, 1999) indicates that before 2000, only 4% of Australian businesses with an Internet presence were tourism and travel businesses. Hence, it was seen as imperative for Australian tourism firms to invest in skills and alliances to exploit new technologies and to enter emerging markets to avoid potential loss of competitive advantage (Danielle, Mistilis, & Ward, 2000). However, to date, Australian tourism SMEs have shown few signs of interest in adopting networked technologies such as e-commerce, in some instances, displaying outright reticence toward the adoption of networked solutions (Applebee, Ritchie, Demoor, & Cressy, 2002).

Research indicates that Australian tourism SMEs lack the advantages of larger tourism enterprises, such as resources, know-how, and access to global distribution and other networked support systems. Much like tourism operators in other regions of the world, Australian tourism SMEs lack the size and scale to compete with their larger counterparts, which are in a better position to dominate the Australian tourism online market (Prosser et al., 2000). Studies on ICT uptake by small

Australian tourism firms also demonstrate that non-users continue to have strong negative perceptions about the effectiveness and adoption of the Internet. As a result, industry preparedness falls well short of the requirements to operate within a now mainly ICT-driven sector, and industry knowledge relating to the potential advantages of adopting e-commerce still needs to be considerably expanded (Applebee et al., 2002).

Although ICT uptake by Australian tourism SMEs has increased somewhat in the past two years, the main ICT application that has been adopted by regional tourism SMEs is electronic mail (e-mail). Encouraging as this may be, it is apparent that many small tourism firms have not yet been ready to migrate from fax-based to Web-based transaction processes. Indeed, study findings in regional Australia indicate that e-commerce adoption is an incremental process and that ICT adoption by tourism SMEs should be seen as a series of separate, yet interrelated, adoption steps, starting from electronic mail (e-mail), followed by product promotion and a Web site presence, and then adoption of e-commerce (Braun, 2004). This rate of incremental ICT adoption by regional Australian tourism SMEs is in line with ICT adoption trends in other countries. A recent survey of small tourism firms in Greece, for example, confirmed that tourism SMEs primarily see the Internet as a mechanism for promoting their business rather than for e-commerce purposes (Buhalis & Deimezi, 2003).

FUTURE TRENDS FOR REGIONAL TOURISM

Because tourism SMEs are relatively new to the virtual world and appear to have neither the expertise nor the resources for e-business, they are in danger of being isolated and out of touch with changing marketing and e-commerce dynamics (Hutt, LeBrun, & Mannhardt, 2001).

Although ICT still appears to intimidate small regional tourism firms, there is also reason to be optimistic. Regardless of their size or location, there are ample competent entrepreneurs who will take advantage of the opportunities that the Internet offers. An English study (Evans et al., 2001) found that independent micro firms were among the most creative users of ICT, and that the level of ICT usage among small tourism firms surveyed was higher than expected, given the perceived limitations of such firms vis-à-vis technology adoption. While the latter is indeed encouraging, a recent survey of tourism SMEs in the European hotel sector demonstrates that small tourism firms are not yet utilizing information technology for e-commerce purposes (Collins, Buhalis, & Peters, 2003). We have known for some time that e-commerce

3 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/regional-tourism-internet-australia/11449

Related Content

How to Include Omnichannel Services in Land-Use Policy?: E-Planning Holds the Key

Lukasz Damurski (2021). *International Journal of E-Planning Research* (pp. 70-85).

www.irma-international.org/article/how-to-include-omnichannel-services-in-land-use-policy/269468

Design Patterns for Integrating Digitally Augmented Pop-ups with Community Engagement

Joel Fredericks, Martin Tomitsch and Laura Stewart (2017). *International Journal of E-Planning Research* (pp. 19-41).

www.irma-international.org/article/design-patterns-for-integrating-digitally-augmented-pop-ups-with-community-engagement/181740

To Connect and Flow in Seoul: Ubiquitous Technologies, Urban Infrastructure and Everyday Life in the Contemporary Korean City

Jaz Hee-Jeong Choi and Adam Greenfield (2009). *Handbook of Research on Urban Informatics: The Practice and Promise of the Real-Time City* (pp. 21-36).

www.irma-international.org/chapter/connect-flow-seoul/21791

Codespaces: Community Wireless Networks and the Reconfiguration of Cities

Laura Forlano (2009). *Handbook of Research on Urban Informatics: The Practice and Promise of the Real-Time City* (pp. 292-309).

www.irma-international.org/chapter/codespaces-community-wireless-networks-reconfiguration/21809

Technology and Urban Structure: The Grid City Between Technological Innovation and New Public Space System

Vincenzo Paolo Bagnato (2018). *Designing Grid Cities for Optimized Urban Development and Planning* (pp. 238-253).

www.irma-international.org/chapter/technology-and-urban-structure/199570